

VZCZCXRO7313
PP RUEHFK RUEHKS0 RUEHNAG RUEHNH
DE RUEHKO #3911/01 1940535
ZNR UUUUU ZZH
P 130535Z JUL 06
FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 4281
INFO RUEKJCS/SECDEF WASHDC PRIORITY
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY
RUEAWJA/USDOJ WASHDC PRIORITY
RULSDMK/USDOT WASHDC PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC//J5//
RHHMUNA/HQ USPACOM HONOLULU HI
RHHMHBA/COMPACFLT PEARL HARBOR HI
RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//
RHMFIUU/COMUSJAPAN YOKOTA AB JA//J5/JO21//
RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA
RUAYJAA/COMPATWING ONE KAMI SEYA JA
RUEHNH/AMCONSUL NAHA 9786
RUEHFK/AMCONSUL FUKUOKA 7190
RUEHOK/AMCONSUL OSAKA KOBE 0490
RUEHNAG/AMCONSUL NAGOYA 7064
RUEHKS0/AMCONSUL SAPPORO 8330
RUEHBJ/AMEMBASSY BEIJING 3266
RUEHUL/AMEMBASSY SEOUL 9413
RUCNDT/USMISSION USUN NEW YORK 1154

UNCLAS SECTION 01 OF 08 TOKYO 003911

SIPDIS

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;
SECDEF FOR JCS-J-5/JAPAN,
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 07/13/06

Part-1

Index:

1) Top headlines

2) Editorials

3) Prime Minister's daily schedule

4) 68 PERCENT of public recognize SDF contributions to Iraq, 59

PERCENT appreciate the dispatches in Yomiuri poll

5) Mainichi survey of 158 companies finds 37 favoring Shinzo Abe,
17 favoring Yasuo Fukuda for next prime minister

6) Prime Minister Koizumi unveils new peace-supporting initiative
during Middle East tour

7) China comes up with own draft UNSC resolution critical of North
Korea, seeks compromise from US, Japan

8) Alarm in Japan that effort in the UN Security Council to slap
North Korea for missile launches going along at China's pace

9) Japan feels sense of stalemate on North Korea sanctions issue

10) Government gives a certain amount of credit to China for efforts
on North Korea, scrutinizing its draft UNSC resolution

ARTICLES:

1) TOP HEADLINES

Asahi, Mainichi, and Yomiuri:

China, Russia to circulate draft resolution on North Korea at UNSC

Nihon Keizai:

Bank of Japan to end zero-interest-rate policy tomorrow

Sankei:

Japan rejects France's proposal of "two-step approach" to North Korea

Tokyo Shimbun:

Former Mizutani Kensetsu Co. chairman arrested

2) EDITORIALS

Asahi:

(1) Didn't Toyota neglect safety?

(2) Growing superpower India suffering from terrorist attacks

Mainichi:

(1) Presidents of four postal services companies decided: Political responsibility is still grave

(2) Has Prime Minister Koizumi lost political energy?

Yomiuri:

(1) North Korea will be puffed up with delay in adoption of UNSC resolution

(2) Competitive tender bid should be breakthrough to review "government jobs"

Nihon Keizai:

(1) Japan should show its presence through Middle East diplomacy

(2) Terrorist attack on the core of India's economy

TOKYO 00003911 002 OF 008

Sankei:

(1) Adoption of UNSC resolution needed

(2) Government should support four postal corporation presidents responsibly

Tokyo Shimbun:

(1) Toyota ignored defects: Safety important above anything else

(2) India-Pakistan relations should be improved without yielding to terrorism

3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, July 11

NIHON KEIZAI (Page 2) (Full)

July 13, 2006

Night:

Arrived at Ben Gurion Airport in Tel Aviv, Israel. Spent an overnight at the David Citadel Hotel.

July 12

Morning:

Toured the Holocaust Memorial.

Attended a welcome reception at the prime minister's office. Held talks with Prime Minister Ehud Olmert.

Afterward held a joint press conference at the prime minister's official residence

Noon:

Attended a luncheon meeting hosted by Prime Minister Olmert.

Afternoon:

Held talks with Israeli and Palestinian youths at the David Citadel Hotel.

Evening:

Met President Moshe Katzav at his office.

Met Foreign Minister Tzipi Livni and persons familiar with Japan-Israel relations at the David Citadel Hotel.

4) Poll: 68 PERCENT see SDF as helpful to Iraq reconstruction, 59 PERCENT positive about deployment

The Yomiuri Shimbun conducted a face-to-face nationwide public opinion survey on July 8-9, in which respondents were asked if they thought the Self-Defense Forces' activities in Iraq contributed to Iraq's reconstruction. In response to this question, "yes," including "very much" and "somewhat," totaled 68 PERCENT , with "no" reaching 28 PERCENT . As seen from the figures, positive answers markedly outnumbered negative ones. In the survey, respondents were also asked about the Koizumi cabinet's sending of SDF troops to Iraq. In response, positive answers accounted for 59 PERCENT , showing an increase of 8 percentage points over the 51 PERCENT rating in this April's survey.

Questions & Answers

TOKYO 00003911 003 OF 008

(Figures shown in percentage.)

Q: The government has decided to withdraw Ground Self-Defense Force personnel engaged in humanitarian assistance activities in Iraq. In addition, the government has also decided to continue and expand the scope of the Air Self-Defense Force's backup activities including airlift missions. Do you support the Koizumi cabinet's sending of SDF members to Iraq for humanitarian reconstruction assistance?

Very much	19.0
Somewhat	39.9
Not very much	23.7
Not at all	13.9
No answer (N/A)	3.4

Q: How much do you think the SDF has contributed to Iraq's reconstruction?

Very much	14.6
Somewhat	53.0
Not very much	22.1
Not at all	5.5
N/A	4.9

Q: Japan has deployed SDF members in Iraq for humanitarian reconstruction assistance. Do you support Japan's continued sending of SDF members overseas for humanitarian reconstruction assistance?

Yes	23.1
Yes to a certain degree	27.2
No to a certain degree	23.6
No	22.3
N/A	3.8

Polling methodology

Date of survey: July 8-9.

Subjects of survey: 3,000 persons chosen from among all eligible voters throughout the country (at 250 locations on a stratified two-stage random sampling basis).

Method of implementation: Door-to-door visits for face-to-face interviews.

Number of valid respondents: 1,867 persons (62.2 PERCENT).

5) 37 firms pick Abe, 17 firms prefer Fukuda for next premiership

The Mainichi Shimbun conducted a questionnaire survey of 158 leading companies' top executives and asked them to give the name of the politician they thought would be appropriate for the next prime minister. In response to this question, 37 companies picked Chief Cabinet Secretary Shinzo Abe, with 17 companies choosing Yasuo Fukuda, one of Abe's predecessors in the CCS post.

The survey was conducted from late June through early July, and answers were obtained from 144 companies. Abe ranked top in the

survey's popularity rating. In the business community, an increasing number of top executives are also pinning their hopes on Abe, who

TOKYO 00003911 004 OF 008

has been leading all other post-Koizumi candidates in various public opinion surveys. Among other politicians, three companies favored Economic and Fiscal Minister Kaoru Yosano, with two companies naming Finance Minister Sadakazu Tanigaki. No companies picked Foreign Minister Taro Aso, former Liberal Democratic Party Vice President Taku Yamasaki, or Senior Vice Justice Minister Taro Kono. Among the responding companies, however, 80 companies withheld their answers, apparently assuming a wait-and-see attitude.

6) Koizumi to make new Middle East peace proposal to Israeli counterpart

TOKYO SHIMBUN (Page 1) (Full)
July 13, 2006

Mutsumi Aoki, Jerusalem

Prime Minister Junichiro Koizumi, currently visiting Israel, met with Prime Minister Ehud Olmert on the morning of July 12, local time, at the Prime Minister's Office and proposed creating a "corridor to peace and prosperity" as a medium- to long-term challenge for Japan to bring about peace in the Middle East. He then proposed that Japan, Israel, the Palestinian Authority, and Jordan set up a four-party council. Koizumi also urged Israel to make efforts to reach a peace accord with the Palestinian Authority.

Koizumi stated in reference to the recent clash between the Israeli military and Palestinian armed insurgents in the Gaza Strip: "I am concerned about the deteriorated situation. A chain of hatred will benefit neither Israel nor the Palestinian authority. I hope both sides will exercise the utmost self-restraint with the aim of co-existence and co-prosperity."

Prime Minister Olmert adamantly replied: "Israel takes a firm position. I understand such a stance brings pain."

The "corridor to peace and prosperity" is to show Japan's willingness to earnestly cooperate in attaining peace in the Middle East. The concept will lead to confidence building among the countries concerned through the promotion of economic development that would have people enjoy the "dividend of peace."

Under this concept, the four-party council would be established and an agricultural complex would be built on the western side of the Jordan Valley with Japan's official development assistance (ODA) funds. Farm products grown there would be shipped to various places.

After meeting with Olmert, Koizumi emphasized that the concept is to support the Middle East in a different way from that of the US and Europe. He said that Olmert agreed to the concept, but under the tense situation in the Middle East, it is likely to take time for it to take shape.

Prime Minister Koizumi plans to explain this concept to Palestinian leader Abbas and Jordan King Abdallah II, whom he will meet on July 13.

7) China to submit to UNSC its own draft resolution on North Korean

TOKYO 00003911 005 OF 008

missile launches, moving closer to Japan, US

YOMIURI (Top Play) (Almost Full)
July 13, 2006

New York, Yoshikazu Shirakawa

Chinese Ambassador to the UN Wang Guangya on the morning of July 12 (midnight on the same day, Japan time) told reporters that China

would introduce a draft resolution on North Korea's missile launches to the UN Security Council (UNSC). The specifics of the resolution have yet to be unveiled, but it appears to be based on the draft presidential statement, which it had already introduced. China has apparently been pressed to make further concessions, facing the hard-line stance of Japan and the US, which are determined not to accept the presidential statement proposal, and the Chinese mission having difficulty in persuading North Korea.

Possibility of not referring to sanctions

UNSC resolutions are binding and carry more weight than presidential statements. US Ambassador to the UN John Bolton underscored to reporters his government's policy of aiming to adopt the sanctions resolution sponsored by Japan, the US, and other countries. He also praised China's move to introduce a draft resolution as a new step forward. He noted, "If China has agreed that the UNSC needed a resolution, it is progress."

However, Wang has thus far opposed a binding resolution that invokes Chapter VII of the UN Charter. As such, there is a strong possibility that the draft resolution sponsored by China does not refer to Chapter VII, and therefore it is in fact a condemnation resolution. The focus will now move to how to find a settlement in line with the sanctions resolution presented by Japan, the US and other countries, which invokes Chapter VII.

The UNSC adopts a Chapter VII resolution when it recognizes the situation as a threat to international peace and security. The British and French ambassadors to the UN, which are trying to find a compromise between Japan and the US, and China and Russia, hold that the resolution should at least define the missile launches by Pyongyang as a threat.

8) Scope column - Japan wary about China's move over Japan-sponsored resolution against North Korea

TOKYO SHIMBUN (Page 2) (Full)
July 13, 2006

Time goes on, leaving the fate of the resolution submitted by Japan and some other countries to the United Nations Security Council (UNSC) unclear. Most UNSC members still wait to see the outcome of China's efforts to persuade North Korea, so Japan's call for an early vote on the resolution seems unlikely to draw attention. The Japanese government is increasingly wary about Japan losing momentum to China, which is opposed to the resolution.

Undermining solidarity

TOKYO 00003911 006 OF 008

"This must be settled as swiftly as possible. We need to make a decision at some point to put the resolution to a vote." This remark came from Chief Cabinet Secretary Shinzo Abe during at a press conference yesterday, in which he emphasized the necessity of putting the sanctions-based resolution against North Korea to a vote as quickly as possibly.

A vote on this resolution had been initially set for late at night on July 10, Japan time. But China called on the UNSC to postpone voting, citing its efforts to persuade North Korea. Many UNSC members then thought it would be wise to wait to see what will happen to China-North Korea negotiations; as a result, voting has been postponed. Abe had explained: "Such talks would be given at least 48 hours."

China-North Korea talks have run into difficulties, and their fate still remains unknown. UNSC members aside from Japan and the United States are beginning to look for ways to avoid voting instead of taking a vote.

What the Japanese government is most worried about is, according to a high-level government official, "China's moves to undermine the solidarity of UNSC members." The resolution has been endorsed by 13 of the 15 UNSC member nations, but China wants to replace it with a

less binding chairman's statement, and it is reportedly approaching Middle Eastern and African UNSC members in trying to undermine their solidarity with other UNSC members. Some in the Japanese government take the view that China-North Korea negotiations are merely a tool to buy time to undermine that solidarity. Late last night, the news came to the government that China would submit an alternative resolution without binding force.

At the same time, France, which holds the UNSC presidency, on July 11 proposed a two-stage action to adopt first a tough chairman's statement before a resolution on sanctions. Britain came around to France's idea. Their move is apparently intended to avoid a split in the UNSC, but it has become another cause for concern for Japan.

Close coordination confirmed

The government aims to get the resolution adopted before the Group of Eight (G8) industrialized nations summit at St. Petersburg (St. Petersburg Summit) starts on July 15. It continues "working on other UNSC member nations in Tokyo and at various levels," according to Abe.

Yesterday evening, Abe invited US Ambassador to Japan Thomas Schieffer to the Prime Minister's Official Residence, and afterwards, Foreign Minister Taro Aso talked to US Secretary of State Condoleezza Rice on the phone. They have reaffirmed that Japan and the United States would work in close cooperation for a vote on the resolution.

Yesterday afternoon, Aso held a teleconference with French Foreign Minister Philippe Douste-Blay and asked him to take a vote on the resolution immediately if China-North Korea talks failed. But Douste-Blay went no further than to say: "In order to prevent North Korea from repeating another provocative action, it's important for the UNSC to stand together and take a specific action." There seems

TOKYO 00003911 007 OF 008

to be no wild card available for now.

Some in the government are becoming less optimistic about an early vote on the resolution, as a senior Foreign Ministry official said, "(A chairman's statement) is not necessarily something meaningless."

9) Japan unable to find an effective move over sanctions-based resolution on North Korea, relies on US for negotiations with China, North Korea

MAINICHI (Page 2) (Excerpts)
July 13, 2006

Nobutake Yamashita

The Japanese government appears to be at a stalemate in dealing with North Korea's missiles. Now that diplomatic maneuvering among the United States, China, and North Korea has begun aiming at resuming the six-party talks, all Japan can do now is to call for an early vote on the sanctions-based resolution against North Korea at the United Nations Security Council (UNSC) while working in close coordination with the US, given that Japan has difficulties in holding direct talks with China and North Korea. At the UNSC, France, which chairs the council, has proposed a two-stage scheme to issue first a chairman's statement and then discuss the resolution. China is likely to counterpropose a resolution condemning North Korea without sanctions on the afternoon of July 12, local time. The Japanese government is increasingly frustrated at the current situation.

Foreign Minister Taro Aso late last night talked with US Secretary of State Condoleezza Rice on the phone. Referring to slow progress in China-North Korea negotiations, Aso indicated his intention to call for a vote on the resolution before the Group of Eight (G8) summit in St. Petersburg, Russia, which will start on July 15. But Rice did not shift her stance of watching China's diplomatic efforts and hinted at the possibility of making modifications to the resolution.

Afterwards, Aso, when asked by reporters about the two-stage proposal, dismissed it, noting, "We won't support it." All Japan can do for now is call for an early vote on the resolution but not to force it and work in close coordination with the United States, which is waiting for China-North Korea talks to bear fruit.

"It's all right even if China uses its veto," someone said at a Ministry of Foreign Affairs (MOFA) staff meeting on July 7. MOFA then decided to aim to put the resolution to a vote on July 8, even though China opposes it. This decision came, following the determination that it would become more difficult to get the resolution adopted as time passes. But later the US turned around to wait for the outcome of China's efforts to persuade North Korea. Japan then accepted the postponement of a vote on the resolution.

10) China proposes submission of own draft proposal; Government to closely examine contents

YOMIURI (Page 2) (Full)

TOKYO 00003911 008 OF 008

July 13, 2006

China has indicated that it would present to the United Nations Security Council (UNSC) its own draft resolution to impose sanctions on North Korea for its recent missile launches. The Japanese government now intends to closely examine its contents and then to decide whether or not to support the Chinese resolution.

A senior Foreign Ministry official praised China's proposal to some extent early this morning, remarking: "Given that North Korea has not responded to China's efforts to bring it back to the six-party talks, China might have come closer to Japan's call by upgrading a chairman's statement to a resolution."

The government remained unwavering in its stance to seek a binding UNSC resolution even after France came up with a proposal for a "two-step approach." Prime Minister Junichiro Koizumi emphatically stated in a meeting with Israeli Prime Minister Ehud Olmert yesterday: "I hope the resolution (submitted by the United States, Japan and other countries) will be adopted as soon as possible." Chief Cabinet Secretary Shinzo Abe also said in a press briefing yesterday: "Japan will continue to work with other countries concerned to have the international community's message be expressed in the form of a resolution."

Foreign Minister Taro Aso held a telephone conference with French Foreign Minister Philippe Douste-Blazy last evening, in which Aso said: "If China's diplomatic efforts end in failure, Japan will promptly resume the process to adopt the resolution." His French counterpart indicated a negative view about the idea of adopting the resolution without support from China and Russia, remarking: "It is important for the UNSC to unite in taking action."

The governments of Japan and the US agreed with China engaged in negotiations with North Korea to put off a vote on the condition that Pyongyang accept these three terms: North Korea should (1) freeze missile tests; (2) unconditionally return to the negotiating table; and (3) abide by the joint statement issued in the six-party talks last September. The Japanese government intends to seek the UNSC adopting the resolution if North Korea does not meet the three conditions, based on the judgment that "North Korea will never take a forward-looking stance unless the international community apply pressure to it by adopting a legally binding resolution," according to a government source.

SCHIEFFER